

MOTION BY SUPERVISOR DON KNABE

May 6, 2014

Last year, the Board of Supervisors adopted a comprehensive ordinance to register tax agents who are compensated to represent clients before property tax officials of the County regarding their property tax assessment. This program, administered by the Executive Office, has been a success in the 10 months of its existence. There are currently 1,197 tax agents registered with the County who are associated with 577 agencies. As called for in the ordinance, these individuals and their firms are posted on the Assessment Appeals Board's Web page for use by taxpayers, and may be the only such list in California.

However, as successful as our local program is, it does not offer taxpayers and the County the seamless and consistent protection that could be offered by a statewide, comprehensive tax agent registration and regulatory scheme. The problem of undue influence in the local property tax assessment and appeals arena is a statewide problem crossing county lines. For example, there is nothing in our existing program to prevent an unscrupulous tax agent who misbehaves in one county to simply move his or her practice to a neighboring county and continue to victimize taxpayers with impunity and to engage in activities that undermine the integrity of another assessor's office. It is clear that a one-county approach does not adequately protect taxpayers and the property tax appeals process. A more expansive option is needed.

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MOLINA	_____
RIDLEY-THOMAS	_____
YAROSLAVSKY	_____
ANTONOVICH	_____
KNABE	_____

Assemblymember Philip Ting has offered an alternative in Assembly Bill 2415 (AB 2415), as amended April 3, 2014. This bill would add a new chapter to California's Business and Professions Code to require all property tax agents in California to register with, and be issued a registration number by, the Secretary of State (SOS) and, beginning September 1, 2015, would bar unregistered property tax agents from representing taxpayers before County officials.

AB 2415 closely mirrors the Los Angeles County ordinance in protecting taxpayers and the property tax assessment process. The bill would require the SOS to conduct background checks on tax agents to ensure that they meet the bill's requirements for registration, which are nearly identical to our ordinance.

The bill includes a list of prohibited activities that, although somewhat different than the list contained in the County's ordinance, it is quite similar to our ordinance. Under the terms of the bill, the SOS would be required to post tax agent information on its website, including information concerning tax agents who have been fined or had their registration revoked, and would require the SOS to enforce violations, impose civil penalties, and revoke tax agent registrations. The bill would go beyond our ordinance in that it would authorize the SOS to impose a civil penalty of up to \$1,500 for a violation of or noncompliance with the provisions of the bill.

Although AB 2415 would preempt and supersede any local ordinance regarding registration and regulation of tax agents, it would specifically state that the bill shall not be construed to prohibit a county from enacting, by local ordinance, tax agent reporting requirements for campaign contributions to elected officials in the county. This is a vital component of the bill, in my view.

I, THEREFORE, MOVE that the Board of Supervisors instruct the Chief Executive Officer and the Sacramento Advocates to support AB 2415 to create a comprehensive, statewide tax agent registration system.

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